



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 7, 2012

#### CERTIFIED RETURN RECEIPT

7011 0110 0001 3568 2967

Russell C. Feller  
A&R Leasing, LLC  
688 East Chad Ranch Road  
Veyo, Utah 84782

Subject: Division Directive, A&R Leasing, LLC, Glacial Green Quarry, S/003/0044, Box Elder County, Utah

#### Response Required by February 29, 2012

Dear Mr. Feller:

On January 6, 2011, the Division of Oil, Gas and Mining suspended approval to operate at the Glacial Green quarry. This suspension continues. Other issues have recently arisen which may jeopardize your ability to continue mining at this location and could also result in issuance of a cessation order and associated fines.

#### Issue 1 – Delinquent Permit Fees:

The permit fee has not been paid for 2009, 2010, and 2012 (no fee was required in 2011). The total delinquent amount is \$450.00. You are directed to provide the past due fees by February 29, 2012.

#### Issue 2 – Adequate Reclamation Surety and Reclamation Contract:

The reclamation surety for the Glacial Green quarry has been in the form of a letter of credit (LOC) with SunFirst Bank. Sun First Bank has been taken over by the Federal Deposit Insurance Corporation (FDIC), and your letter of credit with SunFirst Bank is no longer valid. You are required to replace your reclamation surety for this site.

In addition, the Division has not received the escalated reclamation surety required by letter dated December 21, 2009. The required amount is now \$26,700.00 which was determined using average costs per acre for reclamation (see attached spreadsheet). The surety can be submitted in the form of a letter of credit, a certificate of deposit, a surety bond, or cash, and it needs to name both the Division and the Bureau of Land Management as co-beneficiaries. You will also need to provide a reclamation contract. For assistance in completing these requirements, please contact the Division's bonding coordinator, Penny Berry, at 801-538-5291 or by e mail at [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov). **The Division must receive the replacement bond and reclamation contract by March 30, 2012.**



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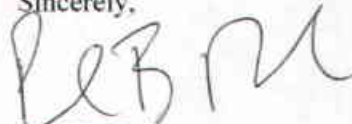
Issue 3 – BLM Authorization To Mine:

The BLM notified the Division that your authorization to mine at the Glacial Green quarry has been terminated. You must therefore provide the BLM with a Plan of Operations and receive approval before continuing operations. You must provide the Division with evidence that you have received the BLM approval by June 1, 2012, or begin reclamation of the Glacial Green quarry.

Please note that until the past due permit fees are remitted and the reclamation surety updated, ***you have no authorization from the Division to conduct any mining related activity, including removal of stockpiled materials.*** You may, however proceed with reclamation. If you do decide to reclaim, please notify the Division so we can meet with you on site to assure reclamation is done according to the State's reclamation standards.

As mentioned, failure to meet the above deadlines may result in the Division taking formal enforcement action which could result in civil penalties and an order to reclaim the site. Should you have any questions regarding this letter, please call me at 801-538-5261 or Lynn Kunzler at 801-538-5310. Thank you for your prompt attention to these matters.

Sincerely,



Paul B. Baker  
Minerals Program Manager

PBB:lk:pb  
Attachment: Reclamation Cost Estimate Worksheet  
cc: Larry Garahana, BLM ([larry\\_garahana@blm.gov](mailto:larry_garahana@blm.gov))  
P:\GROUPS\MINERALS\WPM003-BoxElder\S0030044-GlacialGreen\final\directive-01302012.doc

**Bond Calculation Worksheet****Glacial Green Quarry****S/003/0044****3-year escalation**

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,900.00	\$7,900.00
Add'l Acres Disturbance	4	\$4,700.00	\$18,800.00
Add'l equipment mob (over 5 acre)	0	\$3,000.00	\$0.00
TOTAL SURETY AMOUNT REQUIRED			<b><u>\$26,700.00</u></b>

**Notes:**

Site is permitted for five acres, includes quarry and access road from the stream crossing (Fisher Creek) to the quarry.